THE HAND THAT ROCKS THE CRADLE

by

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A Social Credit Pamphlet

There is an old adage which reads "The hand that rocks the cradle rules the world". God bless our mothers. They did their best, but the cards were stacked against them. There is another hand that rocks the cradle,—in fact it rocks the world.

Baron Rothchild said: "Permit me to control the credit of the nation and I care not who makes its laws". This power controls the economic life and destiny of every mother's son. It determines whether he is to be a slave or a perfectly free man. It dictates whether he is to be rich or poor. Should he be fortunate enough to have the brains to out-wit this power, even though he may unconsciously take advantage of his fellow men in the process, he may become monetarily rich. If he is not fortunate enough to have such brains, or even if he refuses to use the brains God has given him, he will become one in the stream of humanity destined for economic slavery, burdened with debt and lashed by the whip of taxation.

President Wilson said: "A few unknown men can chill and check and destroy our economic freedom."

Mr. McNair Wilson, in "Monarchy and Money Power", says: "Money is seated on the throne. For he who can at will bestow plenty or inflict starvation, holds a power that is like to God's."

If this be true, to whom can the masses of humanity go? Who will hear their cry

for help and release from their burdens?

"Parliament!" shouts the bright fellow. "They make our laws". But as the people's representatives come to Parliament with high hopes, and appeal to powerful majority Governments, they are told "We are powerless— the Gods have spoken."

Rt. Hon. Reginald McKenna, one-time Governor of the Midland Bank, said: "They who control the credit of the nation, direct the policy of Governments, and hold in the hollow of their hands the destiny of the people."

How come that they direct the policy of Governments?

PARLIAMENT POWERLESS

Parliament has long since parted with its authority to issue and control the money of the nation. The foggy sleepy-eyed politicians of the past have been duped. Our poverty in the midst of real wealth—at one time, by reason of no money, at another time by reason of staggering prices—is the product of ignorant politicians; politicians who not only gave away the peoples' inalienable right to control money through their Parliament, but made this power the statutory right of the private banks. The law is now on the side of finance. The people's representatives and their Governments now stand as helpless onlookers while the masses of our citizenry dance as the bankers play the tune.

The next time your politician says the banks are at our service, you may laugh and tell him that he, as well as all the others of his political stripe, are the servants of finance. If he argues, just ask him why Governments were unable to distribute the abundance of the hungry thirties while the hungry had no money to buy? And ask him why Canada's own Finance Minister has not been able to protect his "sound" dollar from becoming half its value in less than a decade, so that now the housewife can bring home only half the groceries she used to bring home with the same dollar? If he continues to argue, tell him he is just as sleepy-eyed and foggy-brained as his predecessors.

ILLUSTRATION

Suppose you owned a car, and gave to a neighbor the right to run that car. Suppose the next time you need the car to journey fifty miles and back, you took it, filled it with gas, made your trip and returned. Then suppose after a few days you received a bill from your neighbour which read: "For use of car and gas—100 miles at 10c per mile, $10.00." What would you think? You would perhaps say your neighbor was grossly ungrateful or mentally unbalanced. But suppose you paid your neighbor the $10.00 for the use of your own car. "Tut tut" you say, "I would be crazy".

Now that is exactly the position of the Federal Government who parted with

its power to issue money. That Government now goes to the chartered banks to borrow that which is rightfully the govenrment's to create, and pays an interest on that which the banks do not own, but create for them by the simple stroke of a pen.

Let us make another supposition. Suppose this crazy bit of business is done year after year, one election after another. The electors continue to elect the same people who continue to carry on the same stupid business. Are we to assume that the people are ignorant or stupid, or are they badly misled?

FACTUAL EVIDENCE

It is quite conceivable that many who read this article will doubt that Governments have been so foolish as to part with this power. They may doubt that the power of issuance and recall (creation and destruction) of money has been handed to the chartered banks. Let us examine the indisputable record. The following is taken from the official record of the Banking and Commerce Committee of Parliament sitting in 1939. Mr. Graham Towers, Governor of the Bank of Canada, was on the stand giving evidence. Members questioned him.

Banks do not loan their depositors money

"Question: I understand you to say they could not loan what did not belong to them.

"Mr. Towers: The Banks cannot, of course, loan the money of their depositors . . . What the depositors do with these savings is something quite beyond the control of the banks." (Page 455)

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"Question: So that if they have got up to the point where they have got bank deposits to lend.

"Mr. Towers: Well, they do not lend their deposits of course." (Page 398)

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Banks do create money out of nothing

"Question: But there is no question about it that the banks do create that medium of exchange?

"Mr. Towers: That is right. That is what they are there for . . . That is banking business, just in the same way that a steel plant makes steel." (Page 287)

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"Question: Ninety-five perecent of all our volume of business is being done with what we call exchange of bank deposits—that is simply book-keeping entries in banks against which people write cheques?

"Mr. Towers: I think that is a fair statement." (Page 223)

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"Question: . . . When the Government delivers a $1,000 bond to the bank what does the bank use to purchase it with? Is that the creation of additional money?

"Mr. Towers: It is the creation of additional money." (Page 113)

"Question: . . . In other words, when the $1,000,000 worth of bonds is presented to the banks a million dollars of new money or the equivalent is created?

"Mr. Towers: Again assuming that there is no decrease in its other investments or loans.

"Question: I mean at the time, at the moment?

"Mr. Towers: Yes.

"Question: It is a fact that a million dollars of new money is created.

"Mr. Towers: That is right.

"Question: Yes. Now the same thing holds true when a municipality or the province goes to a bank?

"Mr. Towers: Or an individual borrower.

"Question: Or when a private person goes to a bank?

"Mr. Towers: Yes." (Page 238)

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Perhaps the most important and significant question of all was asked and one of the most striking admissions is found in the answer. Here it is.

"Question: Would you admit that anything physically possible and desirable can be made financially possible.

"Mr. Towers: Certainly." (Page 771)

If this be true, why do governments not reflect the people's will?

Another important question was asked. The answer is on the record.

"Question: Will you tell me why a government with power to create money should give that power away to a private monoply and then borrow that which Parliament can create itself, back at interest, to the point of national bankruptcy?

"Mr. Towers: . . . Now, if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament." (Page 394)

Every dollar therefore comes into existence through direct creation by the banks. Therefore every dollar is a debt dollar. The nation is in debt because it did not create for itself the money it required. But, having given away its power of credit creation to the banks, it now frequently trots off, cap in hand, to the banks as beggars seeking a hand-out. The banks continue to create money in the form of debt, and consequently call upon the Government to pay up with interest.

The Government then passes tax legislation which compels the people to pay through the nose for its past blunders. The taxation system then becomes a system of dispossession. The people, having become victimized, stand as paupers in the midst of the greatest productive age the world has ever seen, completely unable to possess the fruits of their own hands, while

politicians, surrounded with all the dignity of their office, attempt to kid themselves into believing they are the guardians of the people's rights. Governments are but glorified tax collectors for the money powers.

George Bernard Shaw said that this earth was a lunatic asylum for the rest of the universe. Shakespeare said: "What fools we mortals be."

POWER OF THE PEOPLE

Now let's get together. The fallacy that Parliament is supreme has been exploded as a myth long ago. It is a fact that the money power directs the financial policies of governments. When members of parliament strenuously oppose this financial dictatorship, it does little to correct the situation, unless the electors themselves take a strong hand. Unless the electors turn out those responsible for a continuation of a policy of subservience to high finance, the nation will continue to pay tribute to the unseen overlord.

The late Hon. Wm. Aberhart used to tell the people of Alberta, "If the people have not suffered enough, it is their God-given right to suffer more". But we have no need to suffer. Governments have no need to remain the dupes and tools of finance. If the people have no need to remain in ignorance or suffer further; if politicians have no need to be dupes and tools, let the people arise and with the

supreme power of the vote, put into office men who know the facts and who have the courage of their convictions. The law is not immutable. It can be changed. Let us all, Parliament and people, rise and so legislate as to restore the right of monetary issue and control to Parliament to whom it rightfully belongs.

Social Crediters propose to restore to Parliament its original right to create its own money and by its scientific monetary technique equate consumption with production so that the people can have the fruits of their labors and enjoy the very highest standard of living the productive capacity of the nation is able to give.

Two roads are open. We can continue to let the politicians fool us. We can continue to shut our eyes to the truth. We can go on with increasing burdens of debt and taxation to ultimate serfdom, or we can go on to a glorious age of genuine prosperity with contentment, peace and freedom. We are at the crossroads. The people must decide, or else.

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